

## OVERVIEW OF MAINE'S K-12

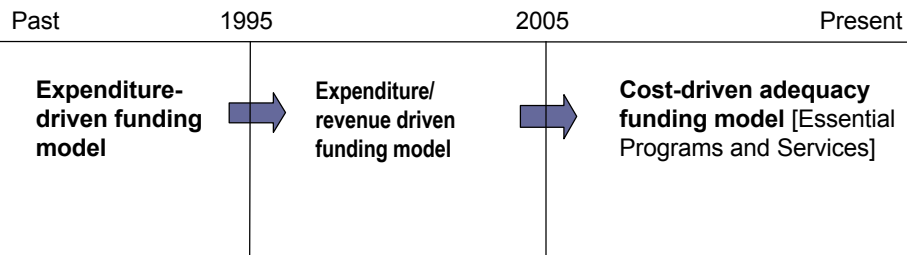
# SCHOOL FUNDING FORMULA AND SPECIAL EDUCATION FUNDING

Presentation to  
Committee on the Financing and Effectiveness of the  
Vermont Education System in the 21<sup>st</sup> Century  
Vermont State Legislature

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October 14, 2009

## Historical Overview of Maine's K-12 Public School Funding System

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## Resources & Services Included in Maine's Essential Programs & Services

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### **A. School Personnel**

1. Regular classroom and special subject teachers
2. Education technicians
3. Counseling/guidance staff
4. Library staff
5. Health staff
6. Administrative staff
7. Support/clerical staff
8. Substitute teachers

### **B. Supplies and Equipment**

### **C. Resources for Specialized Student Populations**

1. Special needs pupils
2. Limited English Proficiency (LEP) pupils
3. Disadvantaged pupils
4. Primary (K-2) grade pupils

### **D. Specialized Services**

1. Professional development
2. Instructional leadership support
3. Student assessment
4. Technology
5. Co-curricular and extra-curricular student learning

### **E. District Services**

1. System administration
2. Maintenance of operations

### **F. School Level Adjustments**

1. Transportation
2. Small isolated schools
3. Vocational education
4. Debt services

## Application of EPS School Funding Formula

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- **Total cost of K-12 education** = Total EPS costs for each school district X total number SAUs /RSUs, plus adjustments
- **Total State share** = Total allocation x 55% (**State Subsidy**)
- **Total Local share** = Total allocation x 45% (**Local Subsidy**)
- **Statewide mill rate** = Total State valuation ÷ Total Local share
- **Required Local contribution for a specific community** = Local community valuation x statewide mill rate.
- **State contribution for a specific community** = Total allocation for the specific community, minus local contribution for the specific community.

## SPECIAL EDUCATION COMPONENT OF ESSENTIAL PROGRAMS AND SERVICES FUNDING FORMULA

### Special Education Issues In Maine

- ❑ Maine's prevalence among the highest in the U.S.
- ❑ Special education enrollment has continued to increase while general education enrollment has decreased.
- ❑ Prevalence rates vary widely among Maine SAUs
- ❑ Prevalence among similar school districts varies widely as does spending.

## Four Ongoing Efforts at Special Education Program and Finance Reform

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- ☞ Funding Special Education within Essential Programs and Services
- ☞ Establishing Guidelines for Pre Referral Procedures and Forms
- ✓☞ Establishing Consistency in Eligibility Criteria
- 4. Funding (MDOE) the Exploration of Regional Practices

## Identifying an Appropriate Model for Maine

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- In 2000, CSEF conducted a survey of all states that requested each state to rate their special education funding model on the following:  
  
*...understandable, equitable, adequate, predictable, flexible, identification neutral, based on actual cost, cost control, fiscal accountability, and reporting burden.*
- No one funding model meets all criteria. The criteria deemed most important in choosing a model for Maine were: equity, adequately funded, and accountability.

## A Single Pupil-Weight Model for Maine

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- Ranked high across all three categories (equity, adequacy, fiscal accountability)
- Single-weight due to data limitations.
- Can accommodate small districts, high prevalence districts, high cost in-district students, and high cost out-of-district students.

## Maine's Special Education EPS Funding Component

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### **Base Component**

Incremental weight of 1.25 for students with disabilities up to 15% of the student population.

### **Adjustments for...**

1. High-prevalence districts
2. High-cost in-district students
3. High-cost out-of-district students
4. Small districts
5. Maintenance of effort

## High-Prevalence Adjustment

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- Districts receive an incremental weighting of .38 for all students with disabilities above the maximum allowable 15%.

## High-Cost, In-District Student Adjustment

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- A high-cost, in-district student is a student whose placement is estimated to cost at least 3 times the EPS special education per-pupil rate.
- Districts receive an additional allocation for the estimated costs above the threshold.

## High Cost, Out-of-District Student Adjustment

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- The method for allocating additional funds for the high-cost, out-of-district adjustment is consistent with past practice but the point at which a student is eligible increased. This increase is to encourage the development of in-district programs and the regionalization of services.
- Students will qualify at a cost of at least four times the EPS special education rate.

## Small District Adjustment

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- Districts with fewer than 20 students with disabilities receive additional funds that reflect fewer students per staff and higher per-pupil related service expenses.

## Maintenance of Effort Under IDEA

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- IDEA regulations state that, in order to receive Federal funds, a district must spend the same total amount or amount per-pupil in state and local funds as the most recent prior year for which data are available.
- The exceptions to this rule are:
  - The departure of personnel replaced by qualified, lower-salaried staff.
  - A decrease in the enrollment of children with disabilities
  - The departure of a particular child with an exceptionally costly disability
  - The termination of costly expenditures for long-term purchases

## Modification in Application of Funding Formula for Special Education

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- 2004 State referendum results
- 2005 Passage of LD1
- **Beginning in FY2006, State share for special education** = EPS special education total allocation
- Minimum receiver SAUs guaranteed 84% of EPS allocation or 5% of total education allocation, whichever is higher (FY2006-FY2008)
- **Beginning in FY2009**, minimum receiver SAUs received 50% of EPS allocation or 5% of total allocation



## Recent Change in Special Education Funding Formula

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- For the last three years the special education model has provided districts with an allocation that reflects at least what they spent in state/local funds during the most recent year for which data are available(maintenance adjustment).
- This adjustment has consistently been a large proportion of the allocation.

## Maintenance of Effort Adjustment 2006-2008

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	Total Allocation	Maintenance of Effort Adjustment	MOE Adjustment as % of Allocation	Number of Districts Receiving Adjustment
2005-2006	\$211,576,763	\$19,352,340	9%	126
2006-2007	\$217,655,690	\$29,764,013	14%	136
2007-2008	\$229,522,293	\$36,014,338	16%	144

## Change in Maintenance of Effort Adjustment

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- Beginning FY09 the Maintenance of Effort adjustment is determined by:
  - ▣ Using per-pupil expenditures rather than total expenditures to account for any loss in students.
  - ▣ Subtracting expenditures associated with high cost in-district or high cost out-of-district students that have left the district.
  - ▣ Adjusting for differences in the total salary expense associated with staff who have voluntarily left the district and not been replaced or been replaced by personnel with lower salaries.

## For More Information:

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- [www.usm.maine.edu/cepare](http://www.usm.maine.edu/cepare)
- [www.maine.gov/education](http://www.maine.gov/education)
- [davids@usm.maine.edu](mailto:davids@usm.maine.edu) or 207.780.5297
- [Debra\\_Allen@umit.maine.edu](mailto:Debra_Allen@umit.maine.edu) or 207.581.2421